



# Maryland Education Coalition



Ellie Mitchell & Rick Tyler, Jr. – Co-Chairs

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Senate Budget and Taxation Committee  
Senator Guy Guzzone, Chair  
[SB0576](#) - Corporate Income Tax - Combined Reporting  
Position - **FAVORABLE**

The Maryland Education Coalition (MEC) was originally founded over 40 years ago (1980) and is the oldest, most experienced, and diverse public education advocacy coalition in Maryland. MEC is currently made up of over twenty statewide organizations and individuals advocates(see below). We advocate for adequate funding, equitable policies, and transparent accountability statewide for the estimated 900,000 students in Maryland’s public schools, regardless of their academic, cultural, economic, geographic, racial, or other demographic status.

Consistent with our mission, MEC joins other members of the Fair Funding Coalition in support of House Bill 46 - Corporate Income Tax - Combined Reporting. MEC urges the committee members to review the testimony of the Fair Funding Committee to have a clear understanding of our rationale, which we believe is fair and more equitable for all Maryland taxpayers. We also believe that the passage of HB 46 along with HB 39 would give Maryland the authority and power to ensure that corporations pay their fair share with reporting transparency.

MEC also believes Maryland has an obligation to ensure all revenue due is reported and collected now and in future years to meet Maryland’s Constitutional Mandate in Article VII, Education, Section 1 is met currently and in future years, which states – “The General Assembly, ..., shall by Law establish throughout the State a thorough and efficient System of Free Public Schools; and shall provide by taxation, or otherwise, for their maintenance”.

Why is this important? According to recent estimates, revenue dedicated for public education is projected to have a deficit structural balance of about (-\$707.6 million) by FY 2025 and a deficit cash balance of about (-\$1.5 billion) by FY 2027. Both deficits are projected to significantly increase during the latter years. (see attached)

MEC believes Maryland must begin now to identify all possible revenue sources and close all possible loopholes to ensure public education is fully funded as promised in future years, so students have a greater opportunity to graduate college and career ready with access to needed student services required to promote success.

Therefore, **MEC urges the Budget and Taxation Committee to issue a favorable report for SB0576 - Corporate Income Tax - Combined Reporting this year, because our students cannot wait.**

**Ps – MEC also joins the Fair Funding Coalition in support of House Bills 142 & 148**

ACLU of MD, Arts Education in Maryland Schools, Arts Every Day, Attendance Works, CASA, Children’s Behavioral Health Coalition, Free State PTA, Decoding Dyslexia of Maryland, Disability Rights Maryland, League of Women Voters of MD, Let Them See Clearly, Maryland Coalition for Gifted & Talented Ed, Maryland Alliance for Racial Equity in Education, Maryland Coalition for Community Schools, Maryland Down Syndrome Advocacy Coalition, MSC-NAACP, Maryland Out of School Time Network, Maryland School Psychologists’ Association, Parent Advocacy Consortium, Public Justice Center, School Social Workers of MD, Strong Schools Maryland, Kalman R. Hettleman, David Hornbeck, Rick Tyler, Jr., Sharon Rubinstein

**Appendix Q**  
**Blueprint for Maryland's Future Fund Projected Revenues and Expenditures**

Category	FY 2022 Actual	FY 2023 Working	FY 2024 Allowance	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
<b>Blueprint Fund Carryover Balance</b>	672,476,114	964,282,230	2,057,532,033	2,242,431,714	1,534,795,057	253,112,028	-1,492,920,900
Education Trust Fund (ETF)	375,000,000	618,929,502	616,440,160	624,489,459	632,657,044	642,644,654	651,074,969
Less: Built to Learn Debt Service	0	-60,000,000	-125,000,000	-125,000,000	-125,000,000	-125,000,000	-125,000,000
Sales and Use Tax	542,650,442	623,144,736	765,653,742	806,969,421	860,374,201	912,518,089	936,966,480
Sports Wagering	14,165,443	47,368,674	48,913,395	51,049,343	53,287,443	59,972,263	84,520,252
Income Tax Diversion	0	800,000,000	0	0	0	0	0
State Reserve Fund Diversion	0	0	500,000,000	0	0	0	0
Interest Earnings	0	28,928,467	61,725,961	67,272,951	46,043,852	7,593,361	0
<b>Total Blueprint Revenues</b>	<b>931,815,885</b>	<b>2,058,371,379</b>	<b>1,867,733,259</b>	<b>1,424,781,174</b>	<b>1,467,362,540</b>	<b>1,497,728,367</b>	<b>1,547,561,702</b>
Foundation Program	0	59,512,788	42,030,825	105,373,580	349,434,437	599,536,377	809,549,418
Regional Cost Difference	0	157,909,651	155,975,828	158,972,712	163,014,604	170,085,902	175,175,176
Compensatory Education	0	0	390,841,994	417,006,814	498,519,338	491,811,874	526,127,554
Special Education	65,468,589	90,217,113	153,054,291	202,267,935	255,309,844	341,456,337	432,907,659
Limited English Proficiency	0	88,178,255	136,372,984	185,795,449	222,740,410	258,355,939	299,814,240
Prekindergarten	53,674,670	144,063,352	99,575,076	120,200,000	205,100,000	263,100,000	337,500,000
Concentration of Poverty School Grant	117,109,071	190,286,426	274,290,497	420,149,204	505,927,300	582,451,600	718,782,431
Teacher Salaries	75,000,001	9,033,505	9,534,911	20,000,000	28,000,000	37,000,000	49,000,000
College and Career Readiness	0	18,669,966	19,888,102	21,243,547	22,299,383	28,421,189	43,248,248
Education Effort	0	0	91,070,820	168,300,000	207,600,000	207,200,000	210,700,000
Transitional Supplemental Instruction	23,000,000	3,951,813	51,323,687	39,398,480	26,869,465	0	0
Blueprint Transition Grants	0	57,688,465	57,688,465	49,035,197	37,497,504	28,844,235	20,190,963
Categorical Early Childhood Programs	81,282,457	61,111,256	67,241,419	67,218,682	49,265,155	58,017,459	66,837,777
Categorical Teacher Support Programs	4,555,768	16,099,699	21,891,000	25,391,000	25,391,000	25,391,000	25,391,000
Innovative Programs	8,288,594	2,000,000	2,000,000	0	0	0	0
Hold Harmless Provisions	209,384,067	0	0	0	0	0	0
MDH Consortium on Coord. Comm. Supp.	0	50,000,000	85,000,000	110,000,000	130,000,000	130,000,000	130,000,000
Accountability & Implementation Board	119,675	4,800,000	4,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Other	2,126,877	11,599,287	20,253,679	20,265,231	20,277,129	20,289,384	20,302,007
<b>Total Expenditures</b>	<b>640,009,769</b>	<b>965,121,576</b>	<b>1,682,833,578</b>	<b>2,132,417,831</b>	<b>2,749,045,568</b>	<b>3,243,761,296</b>	<b>3,867,326,473</b>
<b>Closing Fund Balance</b>	<b>964,282,230</b>	<b>2,057,532,033</b>	<b>2,242,431,714</b>	<b>1,534,795,057</b>	<b>253,112,028</b>	<b>-1,492,920,900</b>	<b>-3,812,685,672</b>
<b>Structural Balance</b>	<b>291,806,116</b>	<b>1,093,249,803</b>	<b>184,899,681</b>	<b>-707,636,657</b>	<b>-1,281,683,029</b>	<b>-1,746,032,929</b>	<b>-2,319,764,771</b>

SOURCE: [Maryland Budget Highlights](#), Fiscal Year 2024 - page 232